

U.S. 8

PUBLIC LIBRARY
APR 24 1939
DETROIT



CONSUMERS' GUIDE

MARCH 13, 1939



CONSUMERS' GUIDE

MARCH 13, 1939

VOLUME V, NUMBER 19

A Publication of the

**Agricultural Adjustment Administration
Consumers' Counsel Division
D. E. MONTGOMERY, Consumers' Counsel**

Issued Every Two Weeks (Monthly June, July, August, and September)

**Address all inquiries to the Editor, Consumers' Guide
U. S. Department of Agriculture . . . Washington, D. C.
MARY TAYLOR, Editor**

SPRING is just what you make it. Moths make a holiday of it—unless you store away your winter woollens.

Before you store, have the garments dry-cleaned or washed. If your laundry and dry-cleaning budget is slim, next best thing is to sun the garments thoroughly, brush and beat them on the clothesline.

Pack the garments tightly. Leave no openings in packages, chests, or closets through which moths can wriggle. Gummed tape does the job best.

Garment bags are as useful as they are tight, but only for keeping moths out. Fancy treatments can make the bags smell queer, but won't kill the destructive moth larvae. Nor can ordinary "cedarized" cardboard chests or closets be depended upon to kill moths. Chests made of the heart wood of Virginia red cedar will protect clothing stored in them if they are properly used. Cedar-lined closets are not dependable.

Moth-killing chemicals recommended by Department of Agriculture experts are naphthalene, paradichlorobenzene, and gum camphor. But the most deadly moth poison won't work unless the fumes are strong enough to kill the intruders. A pound of any of these chemicals sprinkled in folds of tissue paper through the layers of clothing will protect a trunkful of clothes. For closets use a pound of the chemical

for every 100 cubic feet of space.

Kerosene pyrethrum sprays, packaged in various forms, will work only if the spray actually hits the moth. Professional exterminators are usually successful, and amateurs using ordinary hand spray-guns can do a good job if they understand the necessity for thorough and repeated applications.

Gadgets to hang in ordinary open-and-shut closets are a waste of money.

Moth-proofing solutions applied by most housewives do not make a garment permanently or absolutely immune to moth appetites. The better solutions contain fluorides and rotenone, and if used with thoroughness are fairly effective. The Department does not recommend solutions containing arsenic.

For more information, read Leaflet No. 145, "Clothes Moths," free, from the United States Department of Agriculture, Washington, D. C.

CONSUMERS have a right to know the facts behind coal prices. That's what the Supreme Court of the United States seems to think. In a decision handed down a few weeks ago the Court ruled in effect that no minimum prices for bituminous coal may be put into effect by the National Bituminous Coal Commission without making public "full information" on which the prices were based.

Shorn of lawyer's language, the decision meant that all consumers, domestic or industrial, and their spokesman, the Consumers' Counsel of the National Bituminous Coal Commission, were entitled to know the complete facts behind the "costs and realization data" of individual bituminous coal producers.

For months the Coal Commission, consumers, and producers had wrangled over this right to know. It took a decision of the Nation's highest tribunal to settle the issue. Producers had maintained that if their individual cost reports and other data were made public, they would be wide open to knock-out blows from their competitors. Consumers spoke through the Consumers' Counsel of the Coal Commission, Mr. John Carson. He maintained consumers would be left in the dark as to the fairness of the prices set unless they knew in detail the information on which the prices were based.

The Counsel, in his brief, touched the core of the problem when he said: "The Act specifically provides that the proposed minimum prices shall have due regard to the interests of the consuming public." The Office of Consumers' Counsel of the Coal Commission was established by the Act as an independent agency to safeguard the interests of the consuming public in the Federal regulation of the industry.

"It is clear," wrote the Consumers' Counsel, "that the Congress intended to protect the consumer fully from the establishment of unreasonably high minimum prices. Unless interested parties are given full opportunity to study the basis of price establishment, this purpose of the Congress, so clearly expressed, may be negated."

Affected by the decision are millions of urban and rural consumers using coal in their homes, industrial consumers, and farmers' cooperatives distributing coal to their members. Representatives of farm cooperatives and general farm organizations, as well as industrial consumers, have been appearing before the Commission for the past year to take part in the tremendous job of setting prices and regulations for the marketing and distribution of bituminous coal.

IF you
count
where
Unite
your
Th
No.
matte
State
least
bly so
the U
eign
Th
No.
THE
recen
Comm
to in
who
servi
acros
fixed
"nat
Conn



“United We Stand—”

IF you were to make a list of all the countries that are foreign to the place where you live, how many States in the United States would you include in your list?

That sounds like Foolish Question No. 1. Yet the probabilities are, no matter in what State you live, your State or city has on its statute books at least one law or regulation, and possibly several, which treat other States in the United States as if they were foreign countries.

That sounds like Silly Statement No. 1. But let's see.

THE STATE OF CONNECTICUT recently passed a law directing the State Commissioner of Agriculture to refuse to inspect the farms of milk producers who are outside the “natural milkshed” serving that State. A farmer who lives across the road from the boundary line fixed by the Commissioner on that “natural milkshed” can't sell milk in Connecticut, even if his milk is richer

and purer than the best milk sold inside “the natural milkshed.” He's treated as if he were a foreigner.

Rhode Island passed a law which said that milk shipped into that State must be marketed in a certain way. All milk not so marketed would have some coloring matter added to it. Only nearby milk producers could conform to the rules laid down. Distant milk producers, under this law, stood a good chance of having their milk doctored with coloring matter so that no one would buy it. Such producers have been treated like foreigners.

Florida put on its statute books in 1937 a law taxing all cold-storage eggs

Choking the highways of commerce, thousands of laws and regulations in cities and States that block the movement of foods to market and take immeasurable toll from consumers, have now been put under the spotlight by a Government report

sold. The farmer in other States where more eggs are produced in spring than can be sold, but whose eggs have been carefully preserved in cold storage until winter when egg production everywhere is normally low, has to compete in the market with



MARCH 13, 1939

4 untaxed locally produced eggs. He's treated like a foreigner.

From 1933 to 1937 beer produced across the road from the Michigan State line had to pay a tax of 25 cents a barrel, which Michigan-produced beer did not have to pay, before it could be sold in that State. Here again the producer in another State was treated like a foreigner.

A farmer on the other side of the Wyoming State line who decides he wants to market his vegetables in a town within Wyoming, loads it on his truck. When he gets to an imaginary line cutting across the highway, he discovers he has to pay a fee to the State of Wyoming in order to get in. If his truck weighs 1 ton, he must pay \$7.50; if it weighs 2 tons, he must pay \$30. Farmers many miles farther distant but living within Wyoming, do not have to pay this fee. The out-of-State farmer is treated like a foreigner.

A trucker who wants to sell on the Marsh Market, a public market in Baltimore, food which was produced a few miles away in the neighboring State of Delaware, has to pay \$200 for a special license which sellers of Maryland-

produced foods need not have. He's treated like a foreigner.

California regulations say that only avocados which have a high oil content can be sold in that State. A Florida producer whose avocados do not happen to have this high oil content cannot sell his fruit in California, even though he may be willing to sell them for much less than California avocados. He's treated like a foreigner.

Some States have rules that nurserymen who do not live in those States must pay fees before they can do business with them. Sometimes this fee is as much as \$25, a lot of money to a nurseryman, unless he is able to do a big business. Those who cannot afford the \$25 are treated like foreigners.

The State of Michigan has been financing an advertising campaign for its apple growers. "Eat Michigan apples. They're best," the advertisements shout. State-financed sales talk such as this encourages consumers to boycott apples grown in other States and so injures the growers of apples in such States.

ON MARCH 4, 1939, the President of the United States, the Chief Justice and the other Justices of the Supreme Court met with leaders and members of the Congress in the great Capitol at Washington to celebrate a birthday.

It was the 150th birthday of the Government of the United States. In 1789, the various States in this country, harassed by the obstacles to trading that had grown up between them, and eager "to form a more perfect union," brought into being a central government.

The Constitution of this new Nation said this: "No State shall, without the consent of Congress, lay any duties on exports or imports except what may be absolutely necessary for its inspection laws." The welfare of the States from this time on was not to be hampered or throttled by laws and regulations making it difficult for them to trade their goods back and forth. This in reality was to be a united country, and every citizen within its borders was to have equal rights before the law.

One hundred and fifty years of "more perfect union" have passed.

The borders of our Nation have been stretched from coast to coast. Forty-eight States have come into being. Great trunklines of communication bind them together. Vast cities and intricate industries have grown. The lives of 130 million people, citizens of this great Nation, depend on the production and marketing of an incredible quantity of goods that will feed, clothe, and protect them. One-third of these people are ill-fed, ill-clothed, and ill-housed. Their incomes have shrunk to a pittance. The cost of the goods they need is beyond their reach. And rising up like blockades, such as one foreign country throws up against other foreign countries, are laws and regulations in practically every State which treat the producers of foods and other necessities outside those States as if they were foreigners, and which inflict on the consumers within them immeasurable penalties for their citizenship.

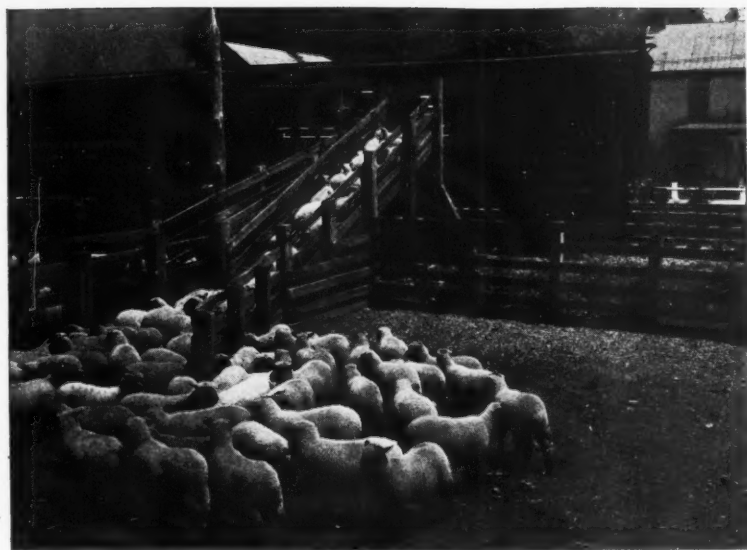
THIS STARK PICTURE of the travesty of "a more perfect union" has been portrayed in a special report made to the Secretary of Agriculture by the Bureau of Agricultural Economics with the collaboration of the Marketing Committee of the National Association of Commissioners, Secretaries and Directors of State departments of agriculture. It was released just 3 days after the 150th birthday of the United States. Its title is "Barriers to Internal Trade in Farm Products."

"It was thought," says Secretary of Agriculture Henry A. Wallace in his foreword to the report, "that the Constitution insured free trade between the States. Today, we cannot say that we have free trade between the States."

Much of this confusion has come about unintentionally and unconsciously. "As the country grew," says this report, "as transportation became cheaper, as consuming cities reached out farther for their supplies of food, as foods became more highly processed, and as the marketing system became more complex, it became necessary to have an increasing number of laws, regulations, and ordinances to protect the farmer, the dealer, and the consumer."

CITY MILK ordinances sometimes are used to set up a kind of Chinese wall, barring cheaper but safe products from competing with higher priced locally produced milk and cream. This truckload of cream, transported from the Midwest to an eastern city, was stopped by an inspector from the District's Health Department. The shipment violated the city's milk ordinance but was found to be as good quality as cream sold legally.





QUARANTINES enforced against areas that never were infested or which have become free of the pest since the quarantine was promulgated can act as serious trade barriers. To protect against the spread of sheep scab, several States require all sheep entering them to be dipped, even though the sheep come from areas where the disease does not exist.

"Food had to be inspected to prevent adulteration and fraud. It had to be graded and identified as to quality. Dishonest business practices had to be prevented. Services such as that of supplying market news were required. Quarantines were needed to prevent the spread of pests and diseases.

"To meet these and similar legitimate needs, the States and the Federal Government have adopted and enforced an increasing number of marketing laws, and are constantly urged to pass more.

"With the great increase in these regulations, two closely related and often indistinguishable dangers arose. One was that by their very complexity and multiplicity these regulations might, quite without intention, hamper trade more than help it; the other that the tendency might arise to use such measures to raise barriers against distant competitors and thus, while possibly helping local producers or dealers, hurt other producers and dealers and *all consumers*."

To protect the health of its citizens is one of the first charges on the gov-

ernment of each State. When the bacteriologists, working in their laboratories, discovered that milk was a carrier of disease, both States and cities began to pass laws and regulations requiring the sanitary inspection of milk. On their surface, such controls are legitimate and highly desirable uses of the police power of local governments. But the inability of consumers to buy milk, because their incomes are too low or the price of milk products is too high, can be just as serious a health hazard.

NUTRITIONISTS, in their laboratories, have established that milk is one of the best sources of minerals and vitamins needed to build strong bones and healthy bodies. People who do not get adequate supplies of milk are sometimes handicapped in their chances for sound health. Yet the kind of health-inspection system Connecticut has results, in part at least, in a restrictive policy which makes milk an unnecessarily expensive food. "The effect of the New York inspection requirements," says this report, "is to bar western cream and to raise the price of

cream in the New York City market."

5

Inventors, engineers, and business men have perfected the machinery for transporting milk safely for long distances, yet "health" regulations in Haverhill, Mass., prohibit from being sold any Grade B milk produced beyond a 40-mile limit from the town.

Sometimes no law or regulation stands in the way of milk moving to the markets that need it, but instead a group of local milk producers imposes an embargo. "Thus, a local producers' association near a small New England town cooperates with the local health authorities to make sure there are no inspections at a greater distance than 3 miles from the town."

Restrictions such as these work hardship not only on the farmer who is not permitted to sell in the most favorable market, but on low-income families who can afford little and often no milk.

ANOTHER USE OF POWER by State governments is their power to impose taxes intended to discourage the sale of unsafe and injurious foods. Few would question the desirability of such laws. But today over half the States of the Union tax the sale of margarine in one way or another, yet it is not seriously contended that margarine is either unsafe or injurious.

Transportation systems in a nation are like the nervous systems in an individual. Jams in either produce serious results. Yet here and there over the country, States create jams in transportation by granting special favors to intrastate traffic denied to interstate traffic. Shippers inside of Kentucky, for instance, must pay for goods transported on the railroads only half as much for a similar haul as shippers into Kentucky who are located over the State line.

Many rules and regulations affecting trucks have been set up by States to benefit local transportation, and so penalize interstate shippers and all consumers. Even within a State, truckers are frequently penalized to benefit storekeepers. In Idaho and Washington, the merchant who trucks his wares about has to pay \$300 in each county, and make a cash deposit of \$500 with the county treasurer, while the mer-

6 chant who sells in a store does not have to pay such fees.

BOTH TO PROTECT producers and consumers from injustices arising from trading in unstandardized food products, grading and labeling laws have come into existence. Twenty-five years ago such laws were almost unknown. Now there are on the statute books of the States "170 separate pieces of legislation relating to the grading and labeling of farm products." No one disputes the value of such legislation when it provides a common language for buyers and sellers. But when one government establishes one set of grades, and another establishes a different set, grading can become a fantastic throttle on the movement of foods across the country.

This has come about. Washington State has one set of grading standards for apples. California has another. Frequently when Washington apples are brought into California they have to be regraded and relabeled. California stops trucks at the border. It refuses to recognize certification from other States.

"A pound's a pound, the world round," we glibly say. But there are 15 different sizes of cantaloup crates defined by State standards. There are 7 sizes for apple boxes fixed by States. In Ohio a bushel of potatoes means 60 pounds; in Pennsylvania it means a certain size container full of potatoes.

Ohio stops trading in Pennsylvania potatoes which measure up to Pennsylvania standards but not to Ohio's.

"Consumers desiring the very best egg obtainable should demand a 'Rhode Island Special,'" says that State's Bureau of Markets. But eggs not laid in Rhode Island may, by Federal quality grades, be as superior in quality as eggs laid in Rhode Island.

FEDERAL AND STATE governments share the power to impose quarantines intended primarily to check the spread of animal and plant disease. But some quarantines serve to penalize trading in healthy products. One State veterinarian reports: ". . . We have not had sheep scab for more than 20 years and yet many States place rather severe restrictions on the movement of sheep into their State—several States even requiring all sheep entering their State to be dipped. We cannot see the reason for dipping sheep for scab when these sheep originate in a State in which scab does not exist." Unreasonable regulations, such as this, discourage trade.

Ten States in the marketing year 1937-38, enacted legislation authorizing State-financed campaigns for advertising farm products. They spent \$2,000,000 for such campaigns. Some of the advertising merely mentioned the name of the State where the product had been grown; some implied that one State's products were superior to

similar products from other States; still others loudly proclaimed the superiority of the State-grown product.

"You'll discover the difference in flavor, taste, and texture when you try a Maine Grown Potato," shouts Maine's potato advertisements.

"New Jersey has finer eggs," says New Jersey's ads.

"Buy Florida oranges. They give a fourth more juice," proudly proclaim the ads from that State's financed advertising.

"If State advertising," comments the BAE's report, "takes the form of urging the citizens of the State to consume more of their own State's produce and less of that from other States, the chief results, insofar as the advertising is effective, are very similar to those of an import duty. Either advertising of this kind, if effective, or an import duty would tend to reduce the amount of imports into the State and to raise the price of the commodity within the State."

NO ONE can measure in dollars the cost of these various State-created handicaps to interstate trade. No one can count in dollars how much they lower our standard of living. That they do complicate the problem of putting our vast national resources to work for the production at the lowest possible cost of an adequate standard of living for everyone, no one can doubt. That they demand scrutiny by the consumers of the Nation, no one can dispute.

"One of two things, I am sure, will happen in consequence (of this report)," one State Commissioner of Agriculture has said. "Either the people of the several States will come to their senses and recognize that we have a Union of 48 States instead of a disunion, or there will be drastic demands for Federal control over these matters."

In these pages we have pulled together only the high spots of this tremendously significant report. In subsequent issues of the *Consumers' Guide* we will tell in greater detail of other barriers to internal trade and what constructive measures the Federal and State governments might take to level them off.

The Marketing Committee of the National Association of Commissioners, Secretaries, and Directors of Agriculture says this:

"Just as individual freedom is eventually curbed when the individual fails to subordinate the exercise of his liberty to the general welfare of the community, so the priceless States' rights will gradually be lost to Federal dominance if the State governmental agencies fail to give due consideration to equally priceless interstate rights . . . If this report prompts a more serious consideration of quarantines and regulations, as well as of our special-interest laws, in the light of their potential danger to the very interests and industries they are designed to protect, the effort is well worth while."



BORROWING may be easy, if the lender thinks you are a good risk. But "easy payments" are a myth. Says one State loan supervisor: "Advertisements which feature 'repayment on easy installments' can properly be classified as misleading."

7

The Big Business of Small Loans

Consumers borrow half a billion dollars a year from licensed personal-finance companies. Here are a few leads for those who need to borrow

ONLY ABOUT 15 out of every 100 people can borrow money from a bank. But many of the other 85 need to borrow money. Rare is the consumer who does not borrow, in one form or another, at some time or other. As we have seen in previous articles in this series on credit*, consumers borrow the use of money when they buy on charge accounts and when they buy on the instalment plan, as well as when they borrow cash.

Cash borrowing is most often a matter of emergencies. Mother needs an operation; doctor and hospital must be paid; perhaps a nurse hired. The first cold day of the winter season at least a few tons of coal have to be bought—and paid for. The Joneses have been

going along piling up one bill here, another bill there. Maybe they were a little careless about charging, and buying on time. Now the bill collectors are getting pretty insistent, cluttering up the house at all hours, bothering Mr. Jones at the shop, threatening to repossess the furniture or "pull" the washing machine.

THESE ARE SOME of the reasons why the small fellow borrows. Jobs are uncertain, and may give out just when most needed—when a baby comes in the family, or when Sis and Johnny need new clothes to go to school. Employment opportunities and the business cycle do not wait on the family budget.

Medical care has become more expensive with the advance in the science

of medicine. Hospital care is more often necessary.

To want many things is a sign of the good life, it is proclaimed on all sides. Not to buy them—whether for cash or for credit—is to buck the spirit of the times. Puritan concepts of thrift have gone the way of the covered wagon.

Savings are fine. But they are not come by easily among that third of all



* Consumers' Guide for Jan. 30, Feb. 13, and Feb. 27, 1939.

8 the Nation's families who have less than \$780 a year to live on; or even among that middle third of America's families who try to make ends meet on \$780 to \$1,500 a year. And it takes only one serious illness—the loss of a man's job for a month or two—the need of supporting a brother's or a wife's family—to wipe out all the savings there may be. So people borrow.

First reason for getting small loans, almost all the statistics show, is to finance and centralize a number of debts previously contracted. Then—the statistics tell a human story if you follow them back—come doctors', dentists' and hospital bills; and then clothing, fuel, food, and rent. Automobiles make up the fourth big reason, usually much further down the list. Capital for small business, furniture, taxes, trail along as some of the other reasons.

The small borrower has no equality of bargaining power with the lender, for he usually comes to him ignorant and worried, in his hour of need. On the other hand, to make small loans is an expensive business, as we have seen in an earlier article**, and is profitable only at a fairly high rate of interest, much higher than that of the usury laws.

EGYPTIAN PAPYRUS, Babylonian tablet, Mosaic injunction, church prohibition, the old English common law—all testify to the attempt down the ages to prevent the too great exploitation of him who needeth the ready cash, by him who hath it to loan. The American States, too, enacted prohibitions against usury—some in their State constitutions, others in the statute law. Interest was usury if it was more than 6 percent, said some States; make it 8 percent, said others; we'll allow up to 10 percent, said a few Commonwealths. But none of them could make it stick for small loans.

The loan shark throve; for many were his dodges to avoid the law. And the cries of his victims were loud throughout the land.

Then a different approach was tried. That was to supply other sources of

credit for the small borrower, and cut the ground from under the loan shark.

CREDIT UNIONS, industrial or Morris Plan banks, and semi-philanthropic loan societies all made their appearance about 30 years ago, lending at rates far below those of the bootleg lenders. But they filled the need for only a few of those who were being bled by the loan sharks.

The Russell Sage Foundation, after several years of exhaustive studies of who borrowed and why and from whom, came forth in 1916 with its famous Uniform Small Loan Law. Five times revised since, this law is still the basis for the licensed small loan—or personal finance—business in this country. Its philosophy began with a couple of facts: Many people needed small sums of money in a hurry; and the usury laws had not worked to protect them from the sharks. Authorize and regulate the small loan business, said the Russell Sage people, allow a rate high enough so that legitimate capital will come into the field.

Today 27 States and Hawaii have small loan laws patterned after the Russell Sage law. Some 3,700 small loan offices are licensed. Last year consumers borrowed from them about half a billion dollars in sums of \$300 or less. This is much more than they obtained from industrial banks and credit unions combined.

MAIN FEATURES of the Uniform Small Loan law are: First, a maximum rate profitable for the small loan companies; second, an interest rate stated so it covers all charges, and so anybody can figure out the cost of borrowing; third, close supervision of the business by the State. Companies making loans of \$300 or less may operate without regard to the rates set in the usury laws, if they abide by the small loan statute.

Rates in some States are 3½ percent per month on the unpaid balance; in others the top limit is 3 percent or 2½. In some States there is a graduated rate—like New York's 3 percent on anything up to \$150, and 2½ percent on the remainder. These are high

rates, but they nowhere begin to compare with the charges made by loan sharks.

When the rate has been stated, the borrower knows that is all there is to pay. Where the Uniform Law is operative and scrupulously observed, no examination fees, service charges, brokerage costs, commissions, bonuses, fees, may be charged.

Charges are computed only on the unpaid balance of the loan. As the borrower pays up, month by month, let us say, the amount of interest in dollars and cents keeps diminishing as the outstanding balance shrinks. He pays the stipulated rate of interest only on the money of which he has the use.

Interest cannot be deducted in advance from the money the borrower gets. Likewise, if the borrower pays back in less than the agreed time, he can be charged interest only for the time he has had the money.

Only in this way of stating charges, can the borrower know what his loan is actually going to cost him. Only by such requirements can the high charge per month possibly be justified.

Three and a half percent a month means an annual interest rate of 42 percent, to be sure. But at 3½ percent a month on the unpaid balance, interest on \$100 paid back in equal monthly instalments over a year's time comes not to \$42, but to \$22.75. At 3 percent, the charge would be \$19.50.

SUPERVISION is the essential third feature of the Uniform Law. Lenders must be licensed and bonded, and report in detail to the States. Penalties for violations of the law are severe.

Providing a place to which the individual may bring his complaint if he feels he has been treated unfairly is an important protection under any law. The uniform small loan law makes such provisions. The supervisory agency, frequently under the State Banking Commission, is in a position to require prompt explanation by the loan company. If the complaint is found justified, the lender will usually comply with the State supervisor's suggestion; if not, a hint of the revocation of a license is usually enough to get justice done, and speedily.

**"Selling Credit to Consumers," in the Jan. 30, 1939, Guide.

Supervision does not have to wait on complaints. A good State supervisor keeps an eye on all the practices of the small loan business, in the interest of reputable companies as well as consumers. Pennsylvania's Secretary of Banking, for example, keeps his eye open for false and misleading advertising, and for ads that encourage borrowing for improper purposes. Probably the most undesirable feature in the advertising of licensees is the stress placed upon the ease of repayment of a loan, says this public officer.

ALL PROBLEMS are not solved for the consumer at the licensed personal finance company even in the State which has a workable small loan law. Despite regulation by the State and despite a reasonable high standard of business ethics among most small loan offices, the borrower still needs to have his wits about him. There is no factory-made credit garment waiting for him anywhere. He has to have the cloth cut to suit the family budget figures.

Personal finance company credit is expensive credit. Personal finance company people, themselves, will say that. At 3½ percent, or 3, or even 2½ per-

cent on the unpaid balance, a small loan comes to big charges. Monthly payment statements are deceptive half-truths when they tell how small a sum you repay every month without mentioning how many months the installments run. So make sure of several things before you even go to personal finance companies.

Do you need or want to borrow? Is there no place you can get the money for less?

Friends or relatives sometimes have the cash. Whether one prefers to borrow there or make the loan on an impersonal basis is another matter.

Your credit union, if there is one to which you are eligible, may lend for as little as ½ or ¾ of one percent a month on the unpaid balance; more often at one percent.

You may want to borrow against your paid-up insurance premiums, using your policy as security; the rate is comparatively low because the insurance company is lending you your own money. Personal loan departments of commercial banks, and industrial or Morris Plan banks, are other sources of cash cheaper than small loan companies, though not as cheap as their rates usually sound. Either is likely to demand one or 2 co-signers to your

note. You may not want to ask a friend to co-sign for you unless you would be willing yourself to co-sign a note for him; and that means being willing to pay up if he defaults.

SUPPOSE YOU WANT the money enough to borrow and there is no cheaper source whose conditions you are willing and able to meet. If you go to the personal finance company office, look first of all for the State license on the wall. There are bootleggers even in the States where the small loan law operates.

Shop around a bit. All you have to compare is price: The commodity—United States currency—is the same at each dealer's. Especially in the large cities, it is usually possible to borrow at rates below the top rate of interest allowed by the State law. Even in the same city, rates vary.

Now you are ready to ask for the application form. Before you sign it, hold a family council on the amount and number of payments you will have to meet and how you propose to fit them into your budget. It is always easier to borrow than to repay. The lump sum of the loan is handed to you here and now. The payments (including interest) have to be met in the future.

Many personal finance company managers and interviewers have excellent advice to offer on budgeting. The experience in systematic application of budget principles (that means common sense, and a little self-discipline) may be worth as much as the loan itself.

CONSIDER THE SECURITY you are asked to give. Leaders in the personal finance business say the best business for them is to lend simply on the signature of the borrower, without other security.

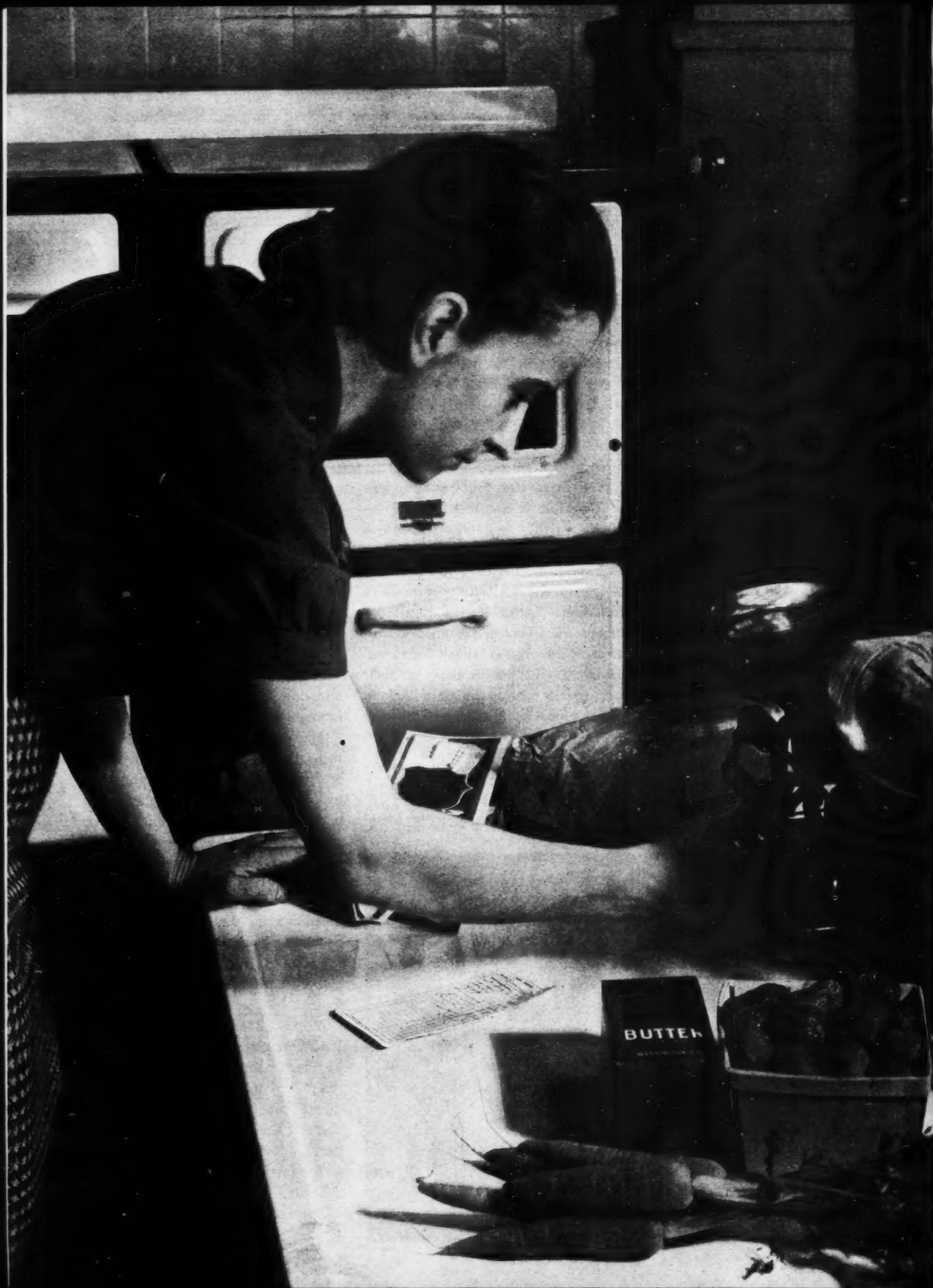
Mortgages on household furniture are the most common form of security. They are taken for "psychological effect;" and to give the investigator a chance to look into the borrower's home. The lender occasionally forecloses. But used furniture does not realize much; and foreclosures are bad publicity.

Autos are sometimes used as security.

[Concluded on page 19]

PERSONAL-FINANCE companies claim no very low rates, but consumers know just what they are paying when they borrow from licensed offices. Legal rates plus State supervision have driven out of business many of the loan sharks who exact 240 percent a year and up.





T
C
M
C

IT
of
Me

test
scr
we
late
che
and
oth
lot

W

W

ene
ing
ing
to
me
3
an
of
Av

ne
Bu
M
Su
un
lar
an

H
lif
do
M

me
so
Bu
ru
ne
sl
w

The Winners

11

Consumer I. Q.'s averaged high in our Weights and Measures Quiz, with entries coming from 46 States. Check your answers with the correct list below

IT'S all over but the next paragraph of suspense, in our first Weights and Measures quiz.

The deadline has passed, the contestants have called a halt to head-scratching, the judges have acted. For weeks we and the judges have tabulated results, checked and double checked on answers, balanced weights and measures slogans against each other. It has been a weighty job—but lots of fun for all! So here it is—

The winner of *Consumers' Guide's* Weights and Measures contest:

Mrs. Paul Clumpner, Metaline Falls, Wash.

Mrs. Clumpner, a housewife, took enough time off from household buying and cooking, budgeting and sewing, to submit a perfect set of answers to our 40 questions on weights and measures. And in the opinion of the 3 judges, her 2 slogans for consumers and merchants put her right at the top of the list—the winner of the Grand Award.

The judges were Mr. George Warner, Chief Inspector, Wisconsin State Bureau of Weights and Measures; Mr. Joseph G. Rogers, Assistant State Superintendent of Weights and Measures, New Jersey; and Mr. B. W. Ragland, Chief of the Bureau of Weights and Measures, Richmond, Va.

To the winner goes—not a trip to Hollywood, or \$1,000 every year for life—but a first-class kitchen scale donated by the Virginia Weights and Measures Association.

We think we should give honorable mention to everyone else who entered, so good were most of the answers. But that wouldn't be cricket by the rules of contest makers. So we do the next best thing: List the names and slogans of the 3 who came nearest to walking off with the prize.

First, there was the Reverend Mr. Ora Huston, of Oklahoma City, Okla. Mr. Huston also submitted a perfect paper. Here are his slogans:

"Consumers gain from honest and adequate weights and measures enforcement because they can buy by weight and price on a mathematical basis."

"Merchants gain from honest and adequate weights and measures enforcement because they can buy and sell on the same weight and their competitors must do the same."

Wilfrid Rall, a high school student of Washington, D. C., came through with banners flying for the younger generation. He slipped up on 2 questions but rated honorable mention by virtue of his slogans. One of the judges liked young Rall's slogan so well that he proposes to use them on his official stationery. The slogans were:

"Consumers gain from honest and adequate weights and measures enforcement because they are assured of full weight or measure, and have a sound basis for comparing values."

"Merchants gain from honest and adequate weights and measures enforcement because these standards place competition between merchants upon a fair and equal basis."

Third to walk off with honorable mention was Mrs. Sidney Schwartz, a housewife, and a resident of New York City. Mrs. Schwartz stumbled on 2 questions, but submitted what the judges thought were top-notch slogans. Here are her slogans:

"Consumers gain from honest and adequate weights and measures enforcement because it saves them vast sums by preventing cheating and enables them to buy with confidence wherever values are greatest."

"Merchants gain from honest and adequate weights and measures enforcement because it protects the business and standards of the vast majority of honest merchants from unfair competition by the chiseling few."

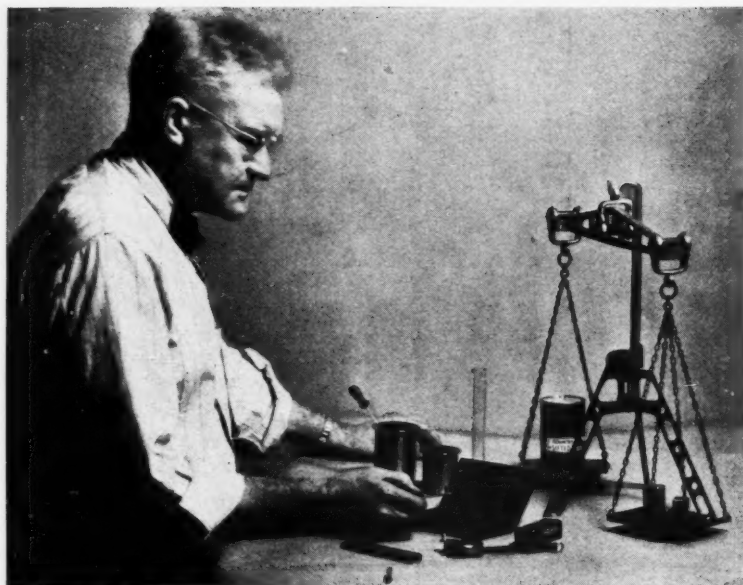
One other contestant submitted a perfect set of answers. But because her job includes work on weights and measures, and also because she failed to submit her answers on the form published in the *Guide* (as was required), she was automatically disqualified.

A TOTAL OF 411 *Consumers' Guide* readers submitted entries; 17 more were "left at the post" because they failed to meet the December 15, 1938, deadline. Entries came from every State in the Union but 2, and from the District of Columbia. New York led the field with 57 lined up. Illinois was second with 31 entries, Pennsylvania third with 28 contestants, New Jersey fourth with 26, and California fifth with 25.

The Great Plains area of the West was represented, the Eastern seaboard, the Great Lakes States, the rural South, and industrial New England. We have no way of telling how the contestants fitted into low or high income groups. But a check of their occupations indicates that consumers of both slim and fairly bulging purses are interested in correct weight and



MARCH 13, 1939



MR. GEORGE WARNER, Chief Inspector of the Wisconsin State Bureau of Weights and Measures, checks the weight of a can of peas. This comes under the heading of "supervisional" activities of his office. Mr. Warner acted as one of our three judges.

honest measure when they go to buy.

As varied as the geographical distribution was the array of occupations of weights and measures fans. Housewives, of course, took the greatest interest in the contest. There were 180 of them who decided to try their luck—and their knowledge. But housewives were by no means all. There were 85 other occupations represented. A much better cross-section of American consumers could hardly have been secured. Entries came from

farm and city, small town and crowded metropolis.

The vocations represented here were more varied than the files of an employment agency. Included were a grocery boy and college professors, a citrus packer and a house maid, W. P. A. employees and retired businessmen, a golf club finisher, and a lumber mill worker. The list can be carried on indefinitely. There were 5 ministers, 19 clerks, 3 postal workers, 2 draftsmen, one dentist. Answers

came from a patent attorney and a proof reader and a piano tuner. A surveyor paused in his job of surveying land to survey the situation in weights and measures. Ten of the contestants listed themselves as having "no occupation." Two were doctors, one was a journalist, 2 editors, one a window trimmer, one a cafe owner, one a broker, one a sailor on the high seas. Many were students—grade school, high school, and college. Some were laborers; one person was listed as a community nutritionist; there was a civil engineer, a combustion engineer, a chemical engineer, and a few who listed themselves simply as "engineers." Probably if we were giving a prize to the contestant who had the most unique occupation, we should award it to the man from one of New York's leading hotels who listed himself as an "apprentice cuisinier." That's chef's language for assistant cook.

WORDS OF PRAISE—if the contestants need words of praise—were plentiful from the judges. We have already given the names of the 2 who qualified with perfect papers. The questions were tough; they were meant to be that, and the general high excellence of

MR. B. W. RAGLAND, Chief of the Richmond, Va., Bureau of Weights and Measures, who served as one of the judges in our contest, holds the sign in this picture. The truck is a patrol wagon that accompanies inspectors on their rounds. "The chicken displayed in this picture was a half-pound short weight, and in addition the customer was short changed," Mr. Ragland writes.



The Prize-Winning Slogans:

"Consumers gain from honest and adequate weights and measures enforcement because they can make easy price comparisons and obtain maximum values in merchandise for every dollar expended."

"Merchants gain from honest and adequate weights and measures enforcement because they are protected against unscrupulous, short-weighing, false-measuring competitors. Fair competition and consumer confidence promote better trade relations."

the results puts the contestants' consumer I. Q. far above what had been expected. Seven had papers with only one error, 25 fell down on 2 questions, 16 came through with only 3 "x's" against them. Thirty-three missed 4 of the questions, and 30 missed 5 of them.

Taken all in all, the entries averaged between 7 and 8 errors. Based on 2 points for each of the 40 "fact" questions, perfect would be 80. On this basis, then, the average I. Q. of the contestants was 63.6 out of 80.

BIGGEST PITFALL of all was question 32: "What is the national standard for a bag of coal?" The answer, 355 of the contestants did not know, is: "There is no such standard!" Two hundred and seventy-one entries fell flat on question 22: Identification of the agency that administers the law standardizing fresh fruit and vegetable containers crossing State lines. The answer: The United States Bureau of Agricultural Economics. Other stickers included question 19, which stumped 258 entrants who didn't know that the Constitution authorizes Congress to define standards of weights and measures. About as many contestants failed to realize it was Congress which defines these standards.

Easiest question was number 4, asking the number of pints in a quart; but 2 got that wrong. Only 6 missed the reason for looking for net weight on a package (question 2). All but 7 were able to figure out the weight of the cake of ice by the dimensions (question 6); and the same number knew how to find out if their groceryman's scales had been officially checked (question 15).

Entrants who want to know how they made out in the quiz (excluding the "slogan" questions) can do so by dropping a card to Consumers' Counsel Division, Agricultural Adjustment Administration, Washington, D. C.

Here is the list of correct answers:

1. Net weight is the weight of the contents of a container or package.
2. Housewives look for net weight on packaged goods because they want to know how much goods they are getting for their money.



MR. J. G. ROGERS, third judge, is Assistant State Superintendent of Weights and Measures in New Jersey. Weights and measures enforcement is a responsibility of all the people, as citizens and as consumers.

3. Eight ounces are half a pound.
4. Two pints make a quart.
5. It takes 32 fluid ounces to make a liquid quart.
6. You would get 40 pounds of ice from a cake 10 inches long, 10 inches wide, and 12 inches thick.
7. Coal would be cheaper at \$12 a long ton than at \$11 a short ton.
8. Mrs. Jones would pay 10 cents a gill—one-eighth of a quart.
9. Gasoline is cheaper at 6 gallons for \$1.05 than at 5 for 88 cents.
10. Buying dry commodities by the bushel is bad because bushel baskets are a measure of cubic content, not weight.
11. You would get more oysters buying them by dry quarts than by liquid quarts.
12. It takes 4 pecks to make a bushel.
13. Eight fluid drams equal a fluid ounce.
14. You are surer of getting the exact amount you pay for when you specify the exact quantity, rather than "a dime's worth," or "a box full."
15. You can find out if your groceryman's scales have been checked by a Government official by looking for an official seal on them.
16. "Mechanical" activities of Weights and Measures officials cover inspection and certification of scales and measuring devices. "Supervi-

sional" activities have to do with investigating complaints, observing the weighing and measuring of goods by sellers, informing the public of the office's work, etc.

17. The pointer of a scale should be at zero before goods are weighed and at a complete standstill before they are taken from the scale because consumers are then assured they get all they pay for.

18. Congress defines what the standards of weights and measures shall be in this country.

19. The Constitution (Article 1, Section 8) gives Congress this power.

20. The National Bureau of Standards is the custodian of the master weights and measures for the country.

21. The international master standard of weight is kept in Paris.

22. The United States Bureau of Economics administers the law standardizing containers for fresh fruit and vegetables crossing State lines.

23. The Apple Barrel Act was the first national law to standardize sizes of containers for foods.

24. There is a Federal law that makes it illegal not to show net weight on packages shipped over State lines.

25. The strongest consumer argument for a law to standardize sizes of containers for canned foods is that it would make it easier to compare prices.

26. Tomatoes in No. 303 cans would cost 0.94 cent more per pound than those in No. 2 cans.

27. The storekeeper should replace the inaccurate scale with an accurate one.

28. The scales should be where the customer can see both the weighing surface and the pointer.

29. A scale or measuring device is "sealed" when it is marked to show approval by a government official.

30. To be sure you are getting all the gasoline you pay for, make certain the pump has been approved by a Weights and Measures official, and watch the indicator.

31. Short weight of just one-third of an ounce on 19 billion pounds of potatoes at 4 cents a pound in the course of a year would cost consumers \$15,833,333.32.

[Continued on page 19]

Salad Dressings

Dressing may make the salad for some consumers, but all consumers want to know what goes to make the dressing

"MAYONNAISE," an authority on the subject once punned, "is older than the Marseillaise. It boasts a royal heritage, having been originated a couple of hundred years ago by the great Richelieu."

Such a noble origin notwithstanding, mayonnaise struggled on for centuries without a legal identity. A stepchild of the kitchen, it had to wait until it entered the realms of big business before it received official recognition in the eyes of the law. Official recognition, in this case, came from the United States Food and Drug Administration, which decided to lend a hand when producers and consumers alike were stumped in deciding when mayonnaise ceased being mayonnaise and became just salad dressing (that is, what the consumer calls "salad dressing," as distinguished from the generic term salad dressings, in which are included mayonnaise, French dressing, etc.).

Not so lucky are "salad dressing," Thousand Island dressing, French dressing, Russian dressing, and all the other salad dressings—using the word in its generic or "over-all" sense to cover all the mixtures that give an extra snap to salads. Except in the days of the N. R. A., when "salad dressing," too, was defined in a code, these varieties have gained their identity

through household tradition carried over into the manufacturing plant.

Mayonnaise, says the Food and Drug Administration, is "the semi-solid emulsion of edible vegetable oil, egg yolk, or whole egg, vinegar, and/or lemon juice, with one or more of the following: salt, other seasoning commonly used in its preparation, sugar, and/or dextrose. The finished product contains not less than 50 percent edible vegetable oil."

TODAY salad dressing products vary in oil content from 25 to 83 percent, in egg content from 3 to 19 percent, in acidity from 0.3 to 1.5 percent, in moisture from 10 to 50 percent, in consistency from a heavy butter-like substance to a flowing liquid. Labels do not yet tell the consumer what proportions of these ingredients are in the dressing.

Thousand Island dressings, French dressings, Russian dressings and the like have—figuratively speaking—never come out of the woods. They are identified only by kitchen definition, set up and maintained by tacit agreement of the housewife.

French dressing contains no egg, less oil than mayonnaise, and a greater proportion of vinegar or lemon juice. Because it contains no egg, French dressing sometimes does not emulsify completely. Commercial manufacturers usually put a "stabilizer" into it to keep the oil from separating.

Russian and Thousand Island dressings are merely offshoots of the mayonnaise family tree. Their main ingredients are the same, varying only in proportion. Russian dressing is distinguished by its seasoning and by the chopped vegetables that garnish the

mixture. Its pink color comes from ketchup or chili sauce. Thousand Island dressing, a more tart product, is simply a variation of Russian dressing, with a leaning in the direction of tartar sauce.

MANUFACTURERS have coined appealing names for salad dressings and, lacking legal requirements, have set no standards of what the dressings must contain. Some dressings may be almost as rich in oil content as mayonnaise, some almost as rich in egg—but this is the exception rather than the rule. To consumers, many salad dressings look alike. But when labels tell the ingredients in the dressings it will pay consumers to look more closely when they buy.

All types of dressings come under some requirements of the law so far as purity of raw materials and the finished product are concerned. General provisions of Federal and State food laws take care of that. Some States prohibit the use of any preservatives in the product. Others permit the use of certain ones, such as benzoate of soda, so long as they are declared on the label. Artificially coloring any type of salad dressing, declares the Food and Drug Administration, is taboo if the color is intended to conceal inferiority or misrepresent the nature of the product.

THE LAW providing for the declaration of net contents on the label has stumped manufacturer and regulator alike. There was a time when many manufacturers listed the net contents of a salad dressing jar in terms of weight. Today many salad dressing manufacturers label them in terms of





THIS 4-H club member is topping off her salad-contest entry with a dab of mayonnaise. Mayonnaise, the only salad dressing defined by the Food and Drug Administration, should contain not less than 50 percent edible vegetable oil if sold in interstate commerce.

pected to standardize the size of our containers? There is no way of being sure that equal quantities of mayonnaise by volume made at different times will always weigh the same.

THE WHOLE QUESTION remains to be threshed out when the new Federal Food, Drug, and Cosmetic Act goes into effect next June. Under the Act, salad dressing labels will have to tell the ingredients in the product, though not their proportions. Probably some attempt will be made to have them listed in the order of their importance, so that if a dressing is mostly starch, with little egg or oil, the consumer will be forewarned. If the present method of stating net contents by liquid measure rather than weight is maintained, it would be a decided consumer advantage to know the percentage of air contained in the bottle of salad dressing. Or, manufacturers might succeed in keeping air content of their products stable enough to eliminate objections to stating net contents in terms of weight.

Many housewives make their own dressings. Whether bought or home-made, salad dressings of all kinds should be kept in a cool place. Keep the product covered; otherwise the liquid portion will evaporate. If the product goes rancid, or if it develops a bad taste or odor, destroy it. Formation of gas, spotted by a bulging cover or a "pop" when the jar is opened, is another danger flag of spoilage.

If the oil separates off the top, beat a pint of mayonnaise—small portions at a time—into an egg yolk or a whole egg. The egg acts as an emulsifying agent and restores the dressing to its original condition.

liquid content. "What of it?", asks one consumer. "You still know what you're getting." But the wiser consumer thinks twice before passing off the question with a shrug.

Salad dressings—like ice cream, marshmallows, and other "whipped" products—contain substantial amounts of air. And air is a gross disbeliever in the laws of gravity; it doesn't register when put on the scales. Analyzing 4 popular brands of mayonnaise, one researcher found that they were anywhere from 7.5 to 13 percent air. This is no reflection on the mayonnaise. You can't make it—nor, for that matter

can you make almost any type of salad dressing—without whipping a good portion of air into it. The consumer's worry is that when she buys salad dressings whose net contents are listed in terms of volume, she is paying partly for air. Consumers who buy by weight do not have to pay for air content.

There is one big barrier to listing net contents of salad dressings by weight, point out the manufacturers' spokesmen. Salad dressing might contain a certain percentage of air one day, but a totally different situation might develop the next. What, they ask, are we going to do if we are ex-



Notes from Government agencies at work for consumers

VERBAL tomatoes were tossed around for a full week in the Department of Agriculture hearing rooms during January, but no one was splashed and no offense was intended. It was the Food and Drug Administration holding a series of hearings under the Food, Drug, and Cosmetic Act of 1938 to establish a standard of identity, of minimum quality, and of fill for canned tomatoes, and standards of identity for tomato puree, tomato paste, tomato catsup, and tomato juice.

Announcement of the hearings was made a month in advance and everyone who wanted to put in a word was asked to come and speak up. Everyone in the tomato industry was represented; the Food and Drug Administration was represented; many consumer organizations had spokesmen present; even that mythical person, the rank and file consumer, appeared. In the stenographic reports of the hearings there was one person's name listed who represented, according to the notation, "One Consumer."

Everything a Federal Government agency does must get its authority in a law passed by Congress. The authority for these hearings is in Section 401 of the new Food, Drug, and Cosmetic Act. "Whenever," the Section reads, "in the judgment of the Secretary (of Agriculture) such action will promote honesty and fair dealing in the interest of consumers, he shall promulgate regulations fixing and establishing for any food, under its common or usual name so far as is practicable, a reasonable definition and standard of identity, a reasonable standard of quality, and/or reasonable standards of fill of container."

Under the McNary-Mapes Amendment to the old Food and Drug law, the Department of Agriculture could fix minimum standards of quality and standards of fill only for canned fruits and vegetables.

The new law goes beyond this to enable the Secretary of Agriculture to break ground in a vast new field of consumer protection.

Final definitions will be issued by the Secretary of Agriculture on the basis of the evidence presented at these hearings. That's why consumer testimony is important. Hearings on other food standards will be held as time goes on. Any consumer who wants to be notified of these hearings should write to the Food and Drug Administration, Washington, D. C., or to the *Consumers' Guide*.

CONSUMERS don't ordinarily buy tooth paste by the pound. Recently someone thought about tooth paste weights and started reading labels. Two competitive brands, apparently the same size, contained respectively 3½ ounces and 75 grams. Seventy-five grams, it was learned on further inquiry, is 5 grams less than 3½ ounces.

Come this June 26, however, under the new Food, Drug and Cosmetic Act, tooth paste labels will be required to state the net weight of the tooth paste in a way that is not deceptive. That means, probably in terms that everyone can understand—ounces, say, instead of grams.

At that time consumers might add an inch or so to the stature of their dollar in a toilet goods department by

comparing the net weights of competing tooth pastes.

THERE WAS MORE lure in the advertisements of a New York cosmetic company than the users of its eyelash cosmetic could ever hope to obtain from its use. Alluringly, this company's advertisements said its product would increase the growth of eyelashes, cause them to be longer, heavier, and silkier.

Lifting its own eyebrows, because the claims weren't true according to the best information available, the Federal Trade Commission ruled that the advertisement was exaggerated and false, and should be discontinued.

COMPLICATING the lives of beauty seekers no end, a company which sells cosmetics and operates beauty salons in different places over the country, recently put out a cream mask, a cream to be used every so often during the day, and 2 varieties of "orange skin creams." In various esoteric combinations, they were purported in advertisements to remove lines and wrinkles, to lift muscles, to change the contours of the face, to refine the pores, to nourish the skin, and to provide a well rounded diet for malnourished skins.

All these claims, the Federal Trade Commission discovered from Government experts, were misleading representations. The company, at the FTC's demand, has agreed to discontinue making them.

UNDERNOURISHED, sickly fingernails, a Los Angeles cosmetic dealer advertised, needed his scientific fingernail food. Without explaining how, he said his preparation was a perfect nail food which was beneficial for dry and splitting fingernails. Its use would transform irregular, broken nails into strong, well formed, healthy, symmetrical ones.

False, untrue, and exaggerated, the Federal Trade Commission learned after consulting competent authorities.

From now on there will be no more of this company's advertisements weeping crocodile tears over the poor, starving fingernails.

THE FEDERAL TRADE COMMISSION recently promulgated a set of fair trade rules for the Baby Chick Industry. The rules won't end the squawking in the barnyard, but they should end the squawks of buyers who have been sold gold-plated chicks.

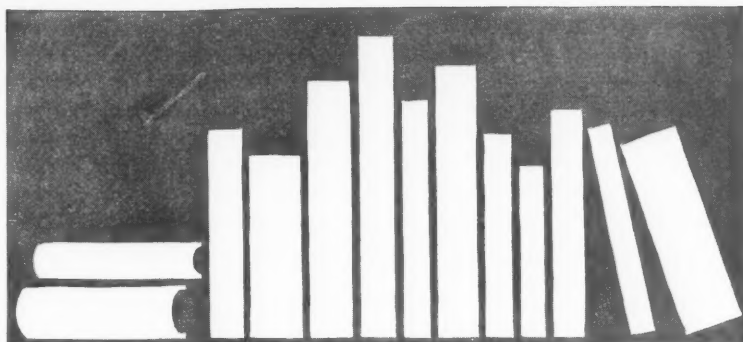
Applying to baby turkeys, ducks, geese, and to the young of the entire poultry species, the rules forbid any misrepresentation in any form concerning grade, quality, quantity, breed, pedigree, type, sex, development, character, nature, origin, weight, color, or size of baby chicks. After being as specific as possible about various specific kinds of misrepresentation, the Commission goes on to place its ban on misrepresentations in any matter at all in relation to baby chicks.

The chicken in a consumer's pot has its beginning in the baby chick industry, so these rules are not only important to the farmers who raise chicks but to the consumers who eat chicken. Fraud, misrepresentation, anything that adds to cost anywhere along the line to the dinner table, adds to the cost the consumer must pay.

Enforcement of these rules, like all other Federal Trade Commission rules, depends upon trade and consumer cooperation.

UNFAIR BRISTLING is also illegal under another set of Federal Trade Commission rules which apply to the paint brush industry. Pure bristle or all bristle, or any term which signifies the same thing, may no longer be used except when it refers to brushes which are actually made of pure bristles. Like the FTC rules for truth in fabrics, these rules require brushes which look as if they have been made of one kind of bristle, but are actually made of another, to state the type or variety. If a brush is made of horsehair but looks like pig bristle, it must say "horsehair." In addition the brush must be stamped with a statement indicating just how much actual bristle it contains.

Such rules, if lived up to by the trade, mean that if consumers take the trouble to examine paint brushes from now on, they don't need to guess what they are getting for their money.



CONSUMERS' BOOKSHELF

ORDERING GOVERNMENT BULLETINS

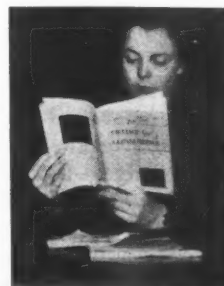
Many of the publications listed in this column are distributed by the Superintendent of Documents. Readers, therefore, may want to know about the coupon system of ordering Government bulletins. The Superintendent of Documents sells coupons in sets, 20 for \$1. These 5-cent coupons may be detached singly or in batches to cover the amount of the purchase. The remaining coupons of course are good until used. Postage stamps and foreign money are not accepted in payment for public documents. Checks or money orders made payable to the Superintendent of Documents are acceptable. Currency may be sent at the sender's risk.

DIETS OF FAMILIES OF EMPLOYED WAGE EARNERS AND CLERICAL WORKERS IN CITIES, by Hazel K. Stiebeling and Esther F. Phipard, Bureau of Home Economics. U. S. Department of Agriculture Circular No. 507. 1939, pp. 141, illus. Address: Superintendent of Documents, Washington, D. C. 15 cents. Presents statistical information on the content, nutritive value, and economy of food available to families in 43 industrial centers distributed through 8 major geographical regions of the United States.

CONSUMER EDUCATION NEWS LETTER, published monthly except July, August, and September by the Institute for Consumer Education, Stephens College, Columbia, Mo. Helen Dal-

las, Editor. John M. Cassels, Director. Free to educators, 25 cents to all others. The first issue of this publication appeared in January 1939. It reviews activities affecting consumers, and matters of interest to workers in the field of consumer education. Books, pamphlets, and magazine articles on consumer problems are listed.

CONSUMERS' COOPERATIVE STATUTES AND DECISIONS. Compiled by the Consumers' Project, 1937, pp. 217. Address: Consumers' Counsel Division, Agricultural Adjustment Administration, Washington, D. C. The Consumers' Counsel Division, Washington, D. C., has a limited supply of this compilation of State laws and Federal and State cases relating to consumers' cooperatives. Free on request to libraries, cooperative societies, and individuals having a special interest in the legal aspects of cooperation. If this pamphlet is mentioned in other bibliographies, however, it should be listed at 20 cents from the Superintendent of Documents, Washington, D. C.



FARM BUDGETING, by J. B. Hutson, U. S. Bureau of Agricultural Economics. Farmers' Bulletin No. 1564. 1938, pp. 22. Address: Superintendent of Documents, Washington, D. C. 5 cents. Discusses the purposes, characteristics and methods of preparing farm budgets, showing a typical budget for a 180-acre farm.

A LOW COST ELECTRICAL SYSTEM FOR FARMS, by R. G. Kloeffer, J. L. Brennehan and O. D. Hunt. Extension Circular 117. Rev. 1938, pp. 17, illus. Address: Extension Service, Kansas State College of Agriculture and Applied Science, Manhattan, Kans. Free. Contains information on the installation, operation, and initial and maintenance costs of a 12-volt electrical system for the farm home.

BARRIERS TO INTERNAL TRADE IN FARM PRODUCTS, by George R. Taylor, Edgar L. Burtis, and Frederick V. Waugh. A Special Report to the Secretary of Agriculture by the Bureau of Agricultural Economics, United States Department of Agriculture. Address: Superintendent of Documents, Washington, D. C. 25 cents. A limited supply of free copies available now from: Division of Marketing Research, BAE, U. S. Department of Agriculture. This report describes the trend toward interstate trade barriers, particularly with respect to dairy products: margarine; alcoholic beverages; railroad and motor-vehicle regulation; merchant-truckers; grades; standards, and labeling; quarantines; and State-financed advertising of farm products. It does not make specific legislative recommendations but indicates where change is needed and in what direction new legislation or regulation might wisely move.

CONSUMER EDUCATION THROUGH BETTER BUSINESS BUREAUS, by Kenneth B. Backman, Director, Boston Better Business Bureau. Reprinted from the Harvard Educational Review, October 1938, pp. 464-474. Address: National Better Business Bureau, Inc., Chrysler Building, New

York City. 5 cents. Reports on the extent and scope of the work of the Better Business Bureaus. Describes some of the more common types of consumer deception and methods used in eliminating them.

THE MASSACHUSETTS SYSTEM OF SAVINGS BANK LIFE INSURANCE, by Edward Berman. U. S. Bureau of Labor Statistics Bulletin No. 615. 1935, pp. 113. Address: Superintendent of Documents, Washington, D. C. 10 cents. This volume details the experience of the State of Massachusetts in making possible low-cost life insurance to its residents under a system by which the mutual savings banks of the State are empowered to establish insurance departments under public supervision. It describes the growth of the Massachusetts system, its method of operation, and the service it renders its policy holders. Recent inauguration of a similar system in New York State makes it timely to call attention to this bulletin issued in 1935.

METHODS OF TESTING HOSIERY, by E. Max Schenke and Howard E. Shearer, National Bureau of Standards. Circular C422. 1938, pp. 34, illus. Address: Superintendent of Documents, Washington, D. C. 15 cents. A technical bulletin which describes the hosiery-testing methods used by research associates of the National Association of Hosiery Manufacturers working at the National Bureau of Standards. Test methods cover type, workmanship, dimensions, construction, physical properties, shrinkage, composition, yarn analysis and fiber. References.

SELECTING FERTILIZERS, by Albert R. Merz, U. S. Bureau of Chemistry and Soils. Circular No. 487. 1938, pp. 15, illus. Address: Superintendent of Documents, Washington, D. C. 5 cents. Contains information and suggestions on selection and application of commercial fertilizers and fertilizer mixtures.

SERVICE OF FEDERAL GRAIN STANDARDS, prepared by the Bureau of

Agricultural Economics. U. S. Department of Agriculture Miscellaneous Publication No. 328. 1938, pp. 17, illus. Address: Superintendent of Documents, Washington, D. C. 5 cents. Describes early grain marketing and inspection practices, noting particularly the commercial hazards and complaints resulting from nonuniform standards for grains. Explains the Grain Standards Act, methods of inspecting grains, and the benefits of this Act to grain producers and buyers.

CONSUMER BUYER UNITS IN FOODS, by Gertrude E. Allen, Martha S. Pittman, and Lucille O. Rust. Extension Service, Kansas State College of Agriculture and Applied Science, Manhattan, Kans. Free. This bulletin discusses the problems and responsibilities of the homemaker as a buyer of foods, and the aids available to her in the selection of various foods. Units deal with the buying of the following: fruits, vegetables, meats, fish, staple foods, cheese, fats, and oils.

RETAIL SALES CAMPAIGNS FOR FARM PRODUCTS, by A. C. Hoffman. 1938, pp. 18, illus., mimeo. Address: Bureau of Agricultural Economics, U. S. Department of Agriculture, Washington, D. C. Free. Discusses the nature and results of organized retail campaigns in promoting sales for typical farm products. Analyzes the experience of 3 chains made up of 4,500 retail units in the metropolitan areas of New York and Boston with sales campaigns for grapefruit in 1937, beef in 1936, eggs in 1937, and dry beans in 1938.

OUTLOOK FOR FARM FAMILY LIVING IN 1939. U. S. Department of Agriculture Miscellaneous Publication 332. 1938, pp. 6. Address: Superintendent of Documents, Washington, D. C. 5 cents. Reports on the annual Agricultural Outlook Conference held to consider the economic situation and its probable effect on farm incomes and family living conditions in 1939.

INCREASING THE CONSUMPTION OF MILK, by R. W. Bartlett. No. AE986. 1938, pp. 144-155. Address: Extension Service, University of Illinois, Urbana, Ill. Free. Points to the need of improving quality of milk in smaller cities and increasing the consumption of milk to recommended standards. Considers the effect of price on the consumption of milk and possible ways of increasing consumption through education.

THE BIG BUSINESS OF SMALL LOANS

[Concluded from page 9]

So are wage assignments—documents that give the lender the right to collect the borrower's pay, or part of it, in case of default, from his employer. Most companies are getting away from this type of security; many States have outlawed or severely restricted its use. Employers sometimes discharge workers rather than bother honoring wage assignments. The borrower will be well advised as a rule not to sign this type of document.

THE LOAN OFFICE makes its investigation of the borrower. Then, if the loan is approved, payments soon begin to come due. They may be met in regular order, and borrower and lender may part company in the stipulated number of weeks or months. Several other courses are possible, however, for the borrower. He may, if he can, pay up sooner, and save interest charges, since he pays only for the time he has the money. On the other hand, he may not be able to meet the payments as scheduled. The loan company may rearrange his schedule of payments, so that he pays over a longer period of time. That means, of course, paying more interest, but it may be necessary. If hard times really hit the family and chances of repayment seem hopeless, the company is likely to see its way clear to waiving interest and settling for the principal, or even writing off a part or all of the loan. Interest rates are high enough to take care of such losses.

The borrower may sign up for another loan, either to enable him to

meet stipulated payments on the first loan, or to finance some other expenditures. The larger the balance of loans outstanding, the greater the possibility of profit for the personal finance company. Some lenders, therefore, encourage borrowers—if they are pretty sure of their ultimate ability to pay—to overload themselves on credit.

"APPROXIMATELY 60 percent of the total loans granted during the period were made to present borrowers, or 'repeaters,' where additional cash was paid to borrowers," the Connecticut Division of Small Loans recently warned. "This, it would seem, is a most severe indictment against the operation of a business dedicated to the promotion of thrift and to the elevation of the economic status of the poor man."

So much for the licensed small loan concerns. The passage of the Uniform Small Loan Law, however, does not insure that loan sharks go out of business. There is always some bootlegging, chiefly at the expense of those who are turned down by the licensed lender, and those who do not take the trouble to find out where else they can borrow.

THE LOAN SHARK is always a potential threat. In States which have a small loan law, maximum legal rates are necessarily subject to change by the Legislature. Agitation for change may come from friends and foes of the law. Some of the demand for lower rates comes from students of the problem who believe the licensees can do a profitable business at somewhat lower rates. Some demand comes from people who cherish the notion that "interest" means "6 percent." They have usually neglected to investigate the costs of doing a small loan business.

Other cries for drastic rate slashes have been traced to loan shark outfits. Their theory is the Russell Sage Foundation's philosophy turned inside out: Cut the legal rate of interest below where it pays the licensed companies to make small loans; and they will either stick to the larger, more profitable loans of \$200 or \$300, or retire entirely from the field, and people in

need will have to come to us for smaller sums.

RECENT ATTEMPTS at legislating very low rates in several States—notably West Virginia, New Jersey, and Missouri—revealed that is just what happened. West Virginia and New Jersey have since raised their rates.

The loan shark will be the subject of the next article in this series on credit for consumers.

THE WINNERS

[Concluded from page 13]

32. There is no national standard of weight for a bag of coal.

33. To be sure you are getting all the coal you pay for, best check is to ask for a ticket signed and stamped with a public weighmaster's seal before the coal is unloaded.

34. Careful consumers don't allow their grocer to "weigh in" the wooden butter dish with their butter because they don't want to pay butter prices for wooden dishes.

35. Some cities have Weights and Measures laws standardizing the weight of bread loaves because it makes for fairer competition between sellers of bread.

36. False. There is no mandatory system of uniform weights and measures in force throughout the country.

37. The National Conference on Weights and Measures has adopted a model State weights and measures law. The conference is composed of weights and measures officials from all parts of the country.

38. It is common sense and sound economy to check the weight of foods you buy with a set of accurate kitchen scales.

39. You should weigh laundry sent out to be done by the pound because that is the only check you have on the weight for which you are charged.

40. If you want an official check on the accuracy of your electric meter, request an inspection by the local Weights and Measures official or the State or local Public Service Commission.

IN THIS ISSUE

MARCH 13, 1939, VOLUME V • NUMBER 19

"United We Stand—"	3
The Big Business of Small Loans	7
The Winners	11
Salad Dressings	14
On the Consumer Front	16
Consumers' Bookshelf	17

